

FILE COPY

U.S. - Supreme Court, U. S.

FILED

MAR 8 1948

CHARLES ELMORE BROOKLEY
CLERK

Supreme Court of the United States.

OCTOBER TERM, ~~1946~~ 1947

No. 654

NATIONAL NUGRAPE COMPANY, *Petitioner.*

v.

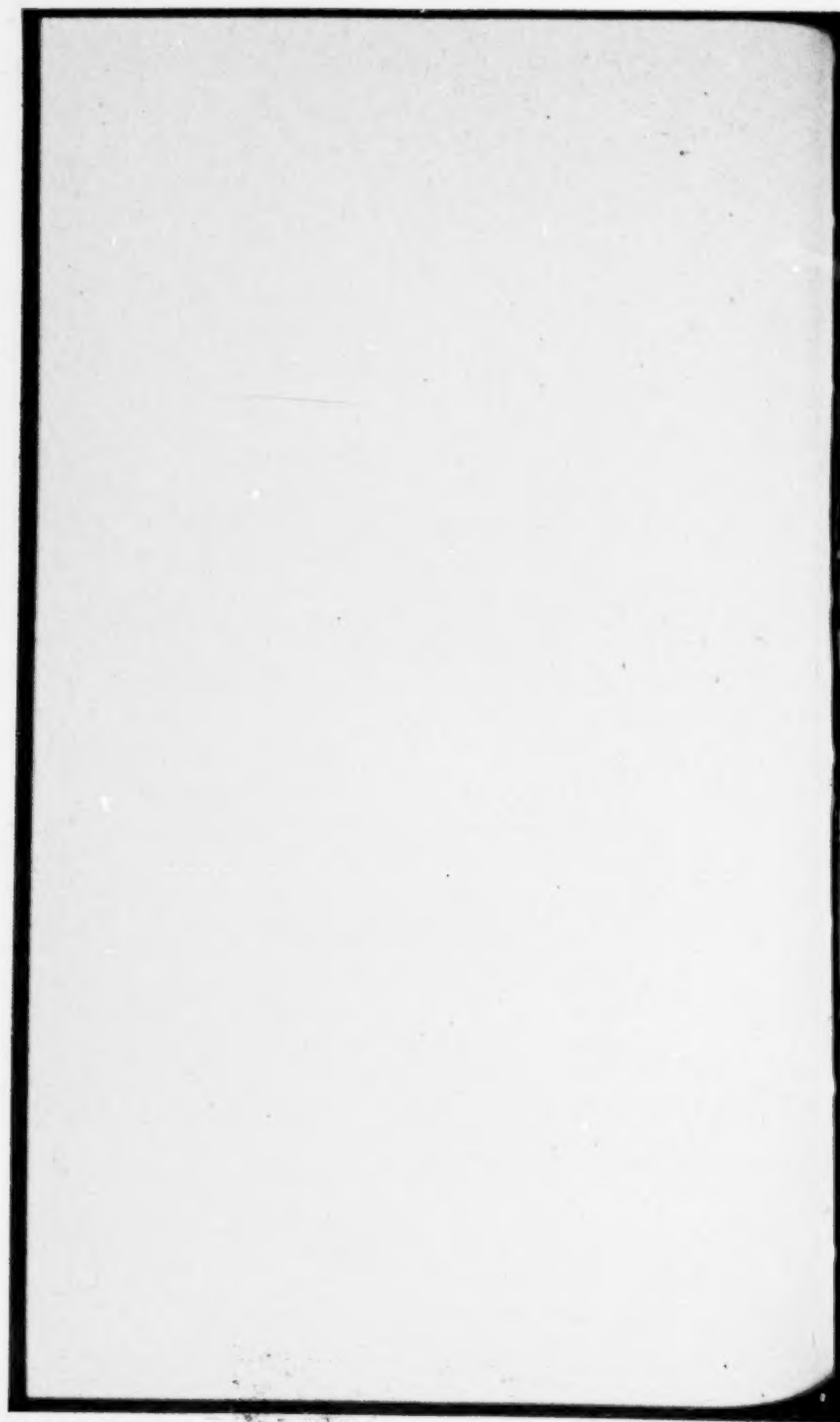
**JAMES D. GUEST, Trading and Doing Business Variously as
TOT BEVERAGE COMPANY and TRUGRAPE COMPANY,
*Respondent.***

**PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES
CIRCUIT COURT OF APPEALS FOR THE TENTH CIRCUIT.**

✓
**ERNEST P. ROGERS,
TROY SHELTON,
*Attorneys for Petitioner.***

**SMITH, KILPATRICK, CODY, ROGERS & McCLATCHEY,
Atlanta, Georgia.**

**EMBRY, JOHNSON, CROWE, TOLBERT & SHELTON,
Oklahoma City, Oklahoma.
*Of Counsel.***



Index

	Page
Petition	1
Jurisdiction	2
Summary Statement of Matter Involved	2
Questions Presented	6
Reasons for Granting Certiorari	7
Brief in Support of Petition	12
Opinions Below	12
Jurisdiction	12
Specification of Errors	12
Statement of the Case	13
The Evidence	14
Argument	16
I. The Decision of the Circuit Court Ig- nores and is in Conflict with the Federal Statute Involved	16
II. The Decision of the Circuit Court is in Conflict with the Decision in <i>Armstrong</i> <i>v. Nu-Enamel Corp.</i> , 305 U. S. 315	18
III. The Decision of the Circuit Court Com- pletely Ignored the Evidence	21
IV. The Decision of the Circuit Court is in Conflict with Decisions of the Supreme Court and other Circuit Courts of Appeal	23
Conclusion	27
Appendix	28

Cases and Authorities Cited

<i>Armstrong Co. v. Nu-Enamel Corp.</i> , 305 U. S. 315 ..	4, 9, 18, 25
<i>Avrick v. Rockmont Envelope Co.</i> , 155F. (2nd) 568, 572 (C.C.A. 10)	24
<i>Bennett v. McKinley</i> , 65 F. 505 (C.C.A. 2)	19

ii Cases and Authorities Cited (*Continued*)

Coca-Cola Co. v. Koke Company of America, 254 U. S. 143	23
Deering Harvester Co. v. Whitman & Barnes Mfg. Co., 91 F. 376 (C.C.A. 6)	23
N. K. Fairbank Co. v. Luckel, King & Cake Soap Co., 102 F. 327 (C.C.A. 9)	10, 25
Feil v. American Serum Co., 16 F. (2d) 88 (C.C.A. 8)	8
Fuller v. Huff, 104 F. 141 (C.C.A. 2)	10, 26
Hamilton-Brown Shoe Co. v. Wolf Bros. & Co., 240 U. S. 251	20
Hercules Powder Co. v. Newton, 266 F. 169 (C.C.A. 2)	17
In Re Plymouth Corp., 46 F. (2d) 211 (C.C. & P.A.)	17
W. G. Reardon Laboratories v. B & B Exterminators, 71 F. (2d) 515 (C.C.A. 4)	17
Siegart v. Findlater, L. R. 7 Ch. Div. 801	23
Sierra Chemical Co. v. Berettini, 33 F. (2d) 397 (C.C.A. 7)	19
Van Camp Sea Food Co. v. Alexander B. Stewart Organizations, 50 F. (2d) 976 (C.C. & P.A.)	19
Walter Baker & Co. v. Slack, 130 F. 514 (C.C.A. 7)	23
Weiner v. National Tinsel Mfg. Co., 123 F (2nd) 96 C.C.A. 7)	8

Statutes Cited

Judicial Code, Sec. 240 (a) (28 U.S.C. 347 (a))	2, 12
Trade-Mark Act of 1905 (15 U.S.C. 81 <i>et seq.</i>)	2, 6, 7, 9, 12, 16, 21
Trade-Mark Act of 1920 (15 U.S.C. 121 <i>et seq.</i>)	8, 18
Trade-Mark Act of 1946 (15 U.S.C. 1051 <i>et seq.</i>)	2, 12

Other Authorities

Schechter, Historical Foundation of Trade-Mark Law, p. 149	23
---------------------------------------------------------------	----

Supreme Court of the United States.

OCTOBER TERM, 1948. ~~1949~~

NATIONAL NUGRAPE COMPANY, *Petitioner.*

v.

JAMES D. GUEST, Trading and Doing Business Variously as
TOT BEVERAGE COMPANY and TRUGRAPE COMPANY,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES
CIRCUIT COURT OF APPEALS FOR THE TENTH CIRCUIT.

*To the Honorable Chief Justice of the United States and the
Associate Justices of the Supreme Court of the United States:*

Petitioner, National NuGrape Company, prays that the writ of certiorari issue to review the judgment of the United States Circuit Court of Appeals for the Tenth Circuit entered on November 5, 1947, and made final by its order of December 10, 1947, denying timely petition for rehearing. The Circuit Court's judgment affirms the judgment of the District Court of the United States for the Eastern District of Oklahoma. The opinion of the Circuit Court of Appeals is not yet reported officially but appears at pages 83 to 87 of the Record. The District Judge wrote no opinion but his findings of fact and conclusions of law are reported in 69 F. Supp. 863, and at pages 13 to 21 of the Record.

Jurisdiction.

The Circuit Court of Appeals rendered its opinion and entered its judgment herein on November 5, 1947. Thereafter, petitioner filed within the time allowed by the Court a petition for rehearing, which was denied by order of the Court on December 10, 1947. Jurisdiction of this Court is invoked under Section 240(a) of the Judicial Code, as amended by the Act of February 13, 1925 (28 U.S.C. Sec. 347 (a)); under the Act of February 20, 1905 (15 U.S.C. Sec. 98) and the Act of July 5, 1946 (15 U.S.C. Sec. 1122).

Summary Statement of the Matter Involved.

Petitioner, through its own activity and that of its predecessor in title, has been engaged since prior to 1921 in the manufacture and sale of nonalcoholic, carbonated beverages commonly called "soft drinks" or "sodas." In January, 1921, its predecessor in title adopted as a trade-mark for such product of its manufacture and sale the term "NuGrape," and in February, 1923, the mark was registered in the United States Patent Office under the Trade-Mark Act of February 20, 1905. The basic facts are not in dispute and clearly disclose that petitioner's product under its trade-mark "NuGrape" has been extensively advertised throughout practically all of the United States through the years of its use, in magazines, on billboards, in newspapers, and over the radio. More than \$800,000 have been expended in such advertising, and the sales of petitioner's product under its trade-mark "NuGrape" have been carried on through more than 200 bottlers and more than 10,000 retail dealers, and have exceeded in volume the sum of \$5,000,000.

Respondent is engaged in Duncan, Oklahoma, in the manufacture of soft drinks, which he sells into the State of Texas and elsewhere. Until 1942, his business was carried on under the style "Tot Beverage Company," and the trade-mark under

which his products were sold was "Tot." Sometime in the middle of 1942 he abandoned the term "Tot" and adopted in its stead, as a part of his trade style and as the trade-mark under which his product has since been sold, the term "TruGrape." Upon his adoption of the mark "TruGrape," respondent filed it with the Secretary of State of Oklahoma as his trade-mark, and since has always displayed in association with it the legend "Trade-Mark Registered" or "T.M.Reg."

Upon respondent's adoption of the term "TruGrape," petitioner protested against its use on the ground that the mark was a colorable imitation and infringement of petitioner's registered trade-mark "NuGrape." Repeatedly thereafter petitioner renewed its objection to use of the term "TruGrape" by respondent, and in October, 1945, instituted this action in the United States District Court for the Eastern District of Oklahoma, charging respondent with infringement of petitioner's registered trade-mark "NuGrape," and with unfair competition, and praying for an injunction against respondent's further use of the term "TruGrape" as a trade-mark. The action was based squarely upon petitioner's claim of exclusive right to use of its mark "NuGrape" and on respondent's invasion of that right through use as a trade-mark of the confusingly similar term "TruGrape." There were no allegations or contentions that respondent had appropriated unto himself any features of the dress of petitioner's package, or that he had imitated or otherwise appropriated unto himself any of petitioner's advertising matter, or that he had infringed or competed unfairly in any other respect. The action was predicated solely upon petitioner's exclusive right to use of the trade-mark "NuGrape" and upon respondent's violation of that exclusive right through use of the trade-mark "TruGrape." The two marks as used by the parties are reproduced here for convenience of the Court:

NuGrape
REG. U. S. PAT. OFF.

TruGrape
T.M. REG.

In the District Court injunctive relief as prayed was denied and petitioner's valuable trade-mark "NuGrape" and the registration of it were held invalid. The District Court did not write an opinion but filed findings of fact and conclusions of law in which all of the basic facts set forth above were affirmatively found, but in reliance upon *Armstrong Co. v. Nu-Enamel Corp.*, 305 U. S. 315, the Court held that the trade-mark "NuGrape" was "descriptive and cannot be appropriated from general use and become the exclusive property of anyone." (Con. of Law III, R. 18, 19).

The District Court found that there was actual confusion between "NuGrape" and "TruGrape" in about one-fourth of the instances when calls were made by customers for one or the other product, and concluded that confusion "will happen in instances when the ordinary customer is calling upon the dealer for one or the other article by name." (Find's. of Fact XV, R. 16, 17). Notwithstanding its finding of actual confusion and likelihood thereof, the District Court further found that the packages of the parties were so different that (Find's. of Fact XX, R. 18):

"By placing the bottled product of the Plaintiff's side by side with the bottled product of the Defendant, there is no likelihood that the ordinary purchaser, while exercising due care and caution, would be misled and deceived into accepting 'NuGrape' as and for 'TruGrape.' "

Having held the term "NuGrape" and its registration to be invalid, the District Court considered the issue of secondary meaning and with respect thereto concluded (Con. of Law VII, R. 19, 20):

"Whether or not the term 'NuGrape' under the facts in this case has acquired a secondary meaning as that term is used in law is doubtful. This, for the reason that to the ordinary consumer the term denotes the type of product rather than the producer or owner."

Having found actual confusion and likelihood thereof the District Court nevertheless proceeded to hold on the issue of unfair competition that petitioner was not entitled to injunctive relief for the reason that (Con. of Law VII, R. 20):

"The defendant is not palming off his product as that of the plaintiff, and there is no reasonable probability that he will do so."

In affirming the judgment of the District Court, the Circuit Court of Appeals, in its opinion, also cited and relied upon *Armstrong v. Nu-Enamel Corp.*, 305 U. S. 315, as a basis for concluding that the trade-mark "NuGrape" was not a valid trade-mark. The Court with respect to this phase of the case said:

"The trial court concluded, as a matter of law, that the term NuGrape was not a valid trade-mark because it was descriptive of the product; * *" (R. 84)

"* * Registration gives rise to a presumption of validity but such presumption is rebuttable. *When a trade-mark is questioned, its validity must be established.* * *" (Italics added) (R. 85)

"* * The trial court's finding that the term 'NuGrape' is descriptive of the plaintiff's grape product, and therefore, is not a valid trade-mark is well founded." (R. 85).

On the issue of secondary meaning the Court referred to petitioner's evidence as "meager" but proceeded to assume that a secondary meaning was established, which would entitle it to protection, and then concluded that it was entitled to no relief "through its failure to show an infringement by unfair trade practices on the part of Guest." (R. 86).

With regard to unfair competition the Court conceded similarity in the sound of the trade-marks "NuGrape" and "TruGrape," but concluded that because there was no simulation of other features of dress, petitioner was not entitled to complain. The words of the Court are (R. 86):

"The most that can be said is that there is some similarity in sound between the words 'NuGrape' and 'TruGrape.' The evidence fails to show any confusing similarity in appearance, verbal translation of the pictures or designs used on the bottles, or any similarity in the appearance or construction of the bottles themselves. The evidence completely fails to meet the test that the ordinary prospective purchaser exercising due care under the circumstances would be misled."

Questions Presented.

1. Is it not error for the Circuit Court to hold that petitioner, whose trade-mark "NuGrape" has been extensively, exclusively and continuously used and advertised for more than twenty-five years and upon the Trade-Mark Register under the Trade-Mark Act of February 20, 1905 (15 U.S.C. 81 *et. seq.*) for fore than twenty-three years, must establish validity of its trade-mark when its validity is questioned?

2. Can it be said as a matter of law and without supporting evidence, that petitioner's valuable trade-mark "NuGrape" and the registration of it are invalid, when the evidence, according to the Court's own findings, established that the mark has been in exclusive, continuous and unquestioned used as a trade-mark for more than twenty-five years; that registration is under the Trade-Mark Act of February 20, 1905 (15 U.S.C. 81 *et seq.*), and has been effective for more than twenty-three years; that the trade-mark has been advertised extensively, and at an expense of more than \$800,000, through magazines, billboards, newspapers and radio, and the product bearing the mark has

been sold through more than 200 bottlers and 10,000 retail dealers in a volume exceeding \$5,000,000?

3. Is it not error for the Circuit Court to refuse to hold that the mark "NuGrape" has acquired a secondary meaning entitling petitioner to its exclusive use as a trade-mark, when respondent's own testimony and that of all his witnesses is to the effect that they have known of the trade-mark for many years and that it identifies the product of petitioner, distinguishing it from the product of respondent and others?

4. Where the products of the parties are bottled carbonated beverages, commonly called "soft drinks," sold to the consumer for the price of 5c and purchased on the spur of the moment without contemplation or reflection by all types and ages of the public, usually for consumption at the place of purchase, and where the trade-marks used to identify and distinguish them are admittedly similar in sound and likely to cause the products to be confused, is it not error for the Circuit Court to conclude that respondent, who adopted his mark years after the adoption and use by petitioner of its mark, with knowledge of petitioner's rights and over petitioner's protest, may be secure in his use against injunction merely because he has not also copied the design of petitioner's bottle or other details of dress employed by petitioner?

Reasons for Granting Certiorari.

1. The decision of the Circuit Court of Appeals completely nullifies the extremely valuable good will and business of petitioner built through twenty-five years of great effort and expense, and in so doing blandly ignores the Trade-Mark Act of 1905 (15 U.S.C. 96) which expressly provides that registration under the Act shall be prima facie evidence of ownership and validity. The Court, in its opinion, says "When a trade-mark is questioned, its validity must be established," and places

squarely on petitioner the burden of establishing validity of its mark notwithstanding more than twenty-five years of exclusive, unquestioned use, and more than twenty-three years upon the Trade-Mark Register under the Act.

The decision is in direct conflict with the decision of the Circuit Court of Appeals for the Eighth Circuit in *Feil v. American Serum Co.*, 16 F. (2d) 88, wherein, at page 89, it was held:

"* * the authorized and expert examiners in the Patent Office unavoidably considered and adjudged that 'Wormix' was not descriptive * * * when they registered it and issued their certificate of registration, and the strong legal presumption is that the decision of this question by these qualified experts was correct."

And with the decision of the Circuit Court of Appeals for the Seventh Circuit, in *Weiner v. National Tinsel Mfg. Co.*, 123 F. (2) 96, wherein, at page 98, it was held:

"It is pertinent to observe that a strong presumption exists as to the validity of the trade-marks and likewise a presumption that they are not descriptive. * * * Certainly this presumption, strengthened by an almost universal acquiescence by the public for twenty-five years in the use of such names by the Plaintiffs, in connection with an inspection of the names as applied to the product with which they are used, would not justify us in concluding that the trade-marks are invalid because of descriptiveness."

2. The decision cites and purports to follow the decision of this Court in *Armtstrong Co. v. Nu-Enamel Corp.*, 305 U. S. 315, in determining that the trade-mark "NuGrape" and the registration of it are invalid. The case cited is authority for the reasoning of the Circuit Court or the result it reached, but is in conflict therewith on the Federal question involved. The *Nu-Enamel Case* was brought under the Trade-Mark Act of

March 19, 1920 (15 U.S.C. 121 *et seq.*), and the Trade-Mark Act of February 20, 1905, was not involved in any respect. The 1920 Act was adopted to set up a special trade-mark register and provide for the registration thereon of marks not registerable under the 1905 Act, thus permitting registration of otherwise unregistrable marks that their users might receive the benefits of the Convention for the Protection of Trade-Marks and Commercial Names, signed at Beunos Aires in 1910. The decision of the Supreme Court is to the effect that registration under the 1905 Act creates a presumption of validity, but that registration under the later Act creates no presumption of validity but a presumption of invalidity, since one whose mark is registrable under the 1905 Act is not entitled to registration under the later Act. Furthermore, the mark involved was "Nu-Enamel," the product upon which it was used was *enamel* and the Record showed that it was common in the paint industry to contract or misspell the word "new."

3. The decision, insofar as it denies relief on the ground that the similarity of the marks in issue and the likelihood of confusion resulting therefrom are overcome by reason of the dissimilarity in the packages employed by the parties, announces a novel theory which is in direct conflict with the decision of this Court in the fairly recent case of *Armstrong Co. v. Nu-Enamel Corp.*, 305 U. S. 315, wherein, at page 325, it was held:

"* * The cause of action is the *interference with the exclusive right to use the mark 'Nu-Enamel.'* If it is a properly registered trade-mark, a ground to support the cause of action is violation of the Trade-Mark Act. If it is not a properly registered trade-mark, the ground is unfair competition at common law. The facts supporting a suit for infringement and one for unfair competition are substantially the same. *They constitute and make plain the wrong complained of, the violation of the right to exclusive use.*" (Italics added).

And in conflict with the decision of the Circuit Court of Appeals for the Ninth Circuit, in *N. K. Fairbank Co. v. Luckel, King & Cake Soap Co.*, 102 F. 327, wherein it was held, at page 331:

"It is claimed that the respondent's packages are to the eye unlike complainant's. Admit it. * * * The infringement charged herein is in the adoption by the respondent of both the trade-name and trade-mark. So far as the name 'Gold Dust' is concerned, the dissimilarity of the labels, size of packages, and character of symbols can make no essential difference."

And the decision of the Circuit Court of Appeals for the Second Circuit, in *Fuller v. Huff*, 104 F. 141, 144, wherein it was held:

"* * It is to be observed that the frequent insignia of an intent to deceive, viz. the copy or the imitation, more or less close, of the dress of the competitor's packages, are absent in this case; but if a trade-name has been so identified with the business of a manufacturer as to inform the public that the name upon goods means that they are the product of that person, and another subsequently adopts and displays the name, it is not material that he has not also adopted the particular dress in which his predecessor has presented his goods."

4. The decision completely ignores the evidence on distinctiveness of the term "NuGrape" (the respondent and each of his witnesses testified to distinctiveness of the mark "NuGrape") and supplants therefor the mere opinions of individual judges, a procedure which is shockingly contrary to the accepted and usual course of judicial proceedings.

The decision of the Circuit Court if allowed to stand will, when followed by the lower courts in the Circuit involved, as indeed it must be, cause the loss to many trade-mark owners of their valuable trade-mark rights built through many years of diligent effort and the expenditure of many hundreds of thou-

sands of dollars, and will thus reduce the law of infringement and unfair competition to a meaningless and ineffectual status in the vast territory of the United States within the Tenth Circuit.

WHEREFORE, your petitioner respectfully prays that this petition for a writ of certiorari be granted.

ERNEST P. ROGERS,
TROY SHELTON,
Attorneys for Petitioner.

SMITH, KILPATRICK, CODY, ROGERS & McCLATCHEY,
1045 Hurt Building,
Atlanta, Georgia.

EMBRY, JOHNSON, CROWE, TOLBERT & SHELTON,
First National Building,
Oklahoma City, Oklahoma.
Of Counsel.

BRIEF IN SUPPORT OF PETITION.

Opinions Below.

The District Court wrote no opinion, but its Findings of Fact and Conclusions of Law are reported in 69 F. Supp. 863, and also appear on pages 13 to 21 of the Record. The opinion of the Circuit Court of Appeals is not officially reported at this time, but appears on pages 83 through 87 of the Record.

Jurisdiction.

The judgment was rendered in a Civil Action brought under the Trade-Mark Statutes of the United States to determine the issues of infringement of a trade-mark registered under the Trade-Mark Act of 1905 (15 U.S.C. 81, *et. seq.*) and unfair competition. Jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code, as amended by the Act of February 13, 1925 (28 U.S.C. Sec. 347(a)); under the Act of February 20, 1905 (15 U.S.C. Sec. 98), and under the Trade-Mark Act of July 5, 1946 (15 U.S.C. Sec. 1122).

Specification of Errors.

The Circuit Court of Appeals for the Tenth Circuit erred:

1. In holding that the burden of proving validity of its trade-mark "NuGrape" registered under the Trade-Mark Act of February 20, 1905, was upon petitioner because its validity was questioned by respondent;
2. In failing to conclude that "NuGrape" is the valid, registered trade-mark of petitioner;
3. In failing to hold that the trade-mark "NuGrape" had acquired a secondary meaning;
4. In failing to hold that respondent, through use as a trade-mark of the term "TruGrape," is infringing the trade-mark

"NuGrape" of petitioner, and competing unfairly with petitioner;

5. In failing to reverse the decree of the District Court invalidating the trade-mark "NuGrape" and the registration thereof, and denying the injunctive relief prayed.

Statement of the Case.

This action was begun in the United States District Court for the Eastern District of Oklahoma by complaint charging respondent with infringement of petitioner's registered trade-mark "NuGrape" and unfair competition through use as a trade-mark of the term "TruGrape" upon a product identical with the product of petitioner. Injunctive relief and satisfaction in damages were prayed, but at the commencement of trial petitioner announced that its primary object was protection of its valuable trade-mark, and damages were waived. The District Court denied relief and its judgment was affirmed on appeal by the United States Circuit Court of Appeals for the Tenth Circuit.

In affirming the judgment of the District Court, the Circuit Court of Appeals held that petitioner's trade-mark "NuGrape" and the registration of it were invalid for the reason that the mark was descriptive of the product; that inasmuch as the trade-mark was questioned by respondent the burden of establishing its validity was upon petitioner; that the marks in issue "NuGrape" and "TruGrape" were similar in sound but respondent was not competing unfairly through use of the similar mark because he did not also copy petitioner's bottle design or the other matter on petitioner's product package. The Circuit Court refused to hold that the trade-mark "NuGrape" had acquired a secondary meaning, but in reaching its decision assumed a secondary meaning without so deciding.

The basic facts as stated by the Circuit Court are not in dispute. They disclose that petitioner and its predecessor have

used the term "NuGrape" as a trade-mark for a nonalcoholic, carbonated, bottled beverage, continuously since January, 1921; that the product has been distributed to the public throughout practically all of the United States through more than 200 bottlers and approximately 10,000 retail dealers; that sales have exceeded more than \$5,000,000 in volume, and more than \$800,000 have been expended in advertising the product under the trade-mark "NuGrape" through magazines, billboards, radio and other media of advertising, all of such advertising prominently featuring the trade-mark "NuGrape"; that respondent individually owned and operated a place of business in Duncan, Oklahoma, from 1940 to 1942 under the name "Tot Beverage Company," and employed as a trade-mark for his beverages the term "Tot"; that in 1942 he abandoned the term "Tot" and adopted, both as a part of his trade style and as a trade-mark for certain of his beverages, the term "TruGrape"; that he promptly filed the term as his trade-mark with the Secretary of State of the State of Oklahoma, and since has continuously used in connection with the trade-mark wherever displayed the legend "Trade-Mark Registered" or "T.M.Reg."; that petitioner protested to respondent against use of the term "TruGrape" shortly after his adoption of the term, and has since persistently objected, contending that the term is a colorable imitation and infringement of petitioner's long registered trade-mark "Nu-Grape."

The Evidence.

To establish its case petitioner introduced in evidence the Certificate of Registration of its trade-mark "NuGrape" under the Trade-Mark Act of February 20, 1905 (Pl. Ex. 3, R. 30, 31, 77); Certificate of Renewal issued to it and in its name as assignee of the original registrant (Pl. Ex. 4, R. 30, 31, 79), and Certificate of the Secretary of State of Oklahoma evidencing registration of its trade-mark in that State in 1939 (Pl. Ex. 6,

R. 80). One of petitioner's officers was called and testified to the extent and nature of its trade-mark use and advertising, its method of operation, and the extensiveness of its distribution system and its sales volume (R. 29-34). He further testified to the protests made by petitioner to respondent against use of the mark "TruGrape" (R. 34). Thereafter, two witnesses called by petitioner testified with regard to a trade investigation made in the territory served by respondent. These witnesses testified that they called for either "NuGrape" or "TruGrape" in more than 80 places of business handling such products, and that on 25% of such calls they were served or offered one product when the other was called for (R. 34-36). This evidence impressed the trial court, and he concluded from it that confusion did result as testified to by these witnesses and "that it will happen in instances when the ordinary customer is calling upon the dealer for one or the other articles by name." (Findings of Fact XV, R. 16, 17).

Respondent testified (R. 47-54) that from 1940 to July, 1942, he used the term "Tot" as a part of his trade style and as a trade-mark for his beverages; that he abandoned the term "Tot" in July, 1942, and adopted the mark "TruGrape"; that he had known of petitioner's use of the term "NuGrape" for three or four years prior to his adoption and use of "TruGrape"; that he did not discontinue use of "TruGrape" at the insistence of petitioner because he didn't think "NuGrape" and "TruGrape" were similar. When asked what he would do in response to a call for "NuGrape" at his place of business, he replied, "If a customer asked for 'NuGrape' I would tell him that we did not bottle 'NuGrape,' that our product was 'TruGrape,' if he wanted to buy some of that I would be glad to sell it to him." (R. 47).

There was then called on behalf of respondent fifteen witnesses, all residents of Duncan, Oklahoma. Each testified that he had known of "NuGrape" and the product sold under the

mark for sometime, and that he had also known of "TruGrape" and the product sold under the term; that he was a purchaser and consumer of both products; that he could and did distinguish between "NuGrape" and "TruGrape"; that he had never received "TruGrape" when he had requested "NuGrape"; that he had never been confused between them and would not be confused (R. 57-69). At least two of these witnesses were engaged in the retail sale of soft drinks and when asked what they would do upon receiving calls for "NuGrape," each said he would furnish petitioner's product if he had it or tell the customer that he did not have "NuGrape" (R. 66, 68). (For convenience and because of its importance this evidence is set forth in some detail in the Appendix to this Brief).

ARGUMENT.

THE DECISION OF THE CIRCUIT COURT OF APPEALS IN HOLDING THE TRADE-MARK "NuGRAPE" INVALID IGNORES AND IS IN CONFLICT WITH THE FEDERAL STATUTE INVOLVED.

The trade-mark "NuGrape" of petitioner was registered in February, 1923, under the Trade-Mark Act of February 20, 1905 (15 U.S.C. Sec. 81 *et. seq.*). This Act specifically forbids the registration of marks which are *merely descriptive*,¹ and provides in Section 16:

"That the registration of a trade-mark under the provisions of this act shall be *prima facie* evidence of ownership."

¹Section 5(b) of the Act (15 U.S.C. 85) provides: "That no mark which consists . . . merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, . . . shall be registered under the terms of this Act."

Notwithstanding the presumption of the Statute and its fortification by uncontroverted evidence of more than twenty-five years of exclusive and continuous use, of extensive advertising in newspapers, magazines, on billboards and over the radio at a cost of more than \$800,000, and sales through more than 200 bottlers and 10,000 retail dealers aggregating more than \$5,000,000, the Circuit Court held that the trial court properly concluded *as a matter of law* that the trade-mark and its registration were invalid because descriptive, saying (R. 85):

"When a trade-mark is questioned, its validity must be established."

Perhaps the Court might have concluded that the trade-mark was *merely* descriptive and thus invalid if there were evidence to such effect, but there was not even an attempt on the part of respondent to prove that "NuGrape" did not serve to identify and distinguish the product of petitioner. Respondent's only object by the evidence introduced was to attempt to prove that consumers did not generally know the identity of the producer of "NuGrape" and that they would not likely be confused between "NuGrape" and "TruGrape."

The Court obviously preferred to determine the rights of petitioner to its registered trade-mark upon its own conception of the term and without giving any effect to the statutory presumption and the evidence adduced. The effect of what has been done is not only to leave petitioner remediless but with a judicial determination decreeing its trade-mark, the good will and business which it represents, and the registration void and valueless.

In *Hercules Powder Co. v. Newton*, 266 F. 169 (C.C.A.2, 1920), *In Re Plymouth Corp.*, 46 F. (2d) 211 (C.C. & P.A., 1931) and *W. G. Reardon Laboratories v. B. & B. Exterminators*, 71 F. (2d) 515, 517 (C.C.A. 4, 1934), it is held that this section of the Act is to be construed to read "no mark which consists in words or devices which are *merely descriptive* * * shall be registered under the terms of this Act."

**THE DECISION OF THE CIRCUIT COURT OF AP-
PEALS IN HOLDING THE TRADE-MARK "NuGRAPE"
INVALID IS IN CONFLICT WITH THE DECISION OF
THE SUPREME COURT IN *ARMSTRONG CO. V.*
Nu-ENAMEL CORP., 305 U. S. 315.**

Both the District Court and the Circuit Court of Appeals cite and rely upon the decision of this Court in the case of *Armstrong Co. v. Nu-Enamel Corp.*, 305 U. S. 315, as authority for the declaration of invalidity of the trade-mark "NuGrape" and the registration of it. The case not only does not support the reasoning or result of the lower courts but, in so far as applicable, is completely contrary thereto.

The *Nu-Enamel Case* involved a registration under the Trade-Mark Act of March 19, 1920 (15 U.S.C. 121, *et. seq.*) The Trade-Mark Act of February 20, 1905, under which this action was brought was not there involved.

The 1920 Act set up a Register for registration of marks not registrable under the 1905 Act, as the Supreme Court said, "to enable American and foreign users of trade-marks to register them in accordance with the provisions of the convention for the protection of trade-marks and commercial names, signed at Buenos Aires in 1910."

The Supreme Court found it necessary to compare and contrast the 1905 Act and the 1920 Act after which it was said (page 323):

"* * The significant distinction between the two acts is the omission in the 1920 Act of the provision of Section 16 of the earlier act making registration of a trade-mark *prima facie* evidence of ownership."

In the *Nu-Enamel Case* there was no statutory presumption of validity but a presumption of invalidity since registration was under the 1920 Act, and a condition of such registration was that the mark not be registrable under the 1905 Act. More-

over, the mark involved was "Nu-Enamel"; the product upon which it was used was enamel, and there was evidence to the effect that it was common in that industry to contract the word "new" or misspell it as "nu." The mark was used upon a variety of articles, and this Court implied that the mark was not descriptive with respect to any of such articles except enamel. In this respect the Court said (page 329):

"* * It is quite true that the mark is not descriptive as applied to many of respondent's products but the use by petitioner, the Armstrong Company, of which the Nu-Enamel Corporation complains is the use of 'Nu-Enamel' or 'Nu-Beauty Enamel.' This use, Armstrong answers and the evidence supports the assertion, is confined to the enamels. We must therefore consider the case as though the only products of Nu-Enamel Corporation were enamels. As applied to them it is descriptive."

In the present case "NuGrape" is applied to a nonalcoholic, carbonated beverage commonly called "soft drink," "soda" or "pop." The word "grape" means the fruit of the vine, and such primary, generic or descriptive significance of the word would obviously forbid its exclusive appropriation by anyone in such significance. The term "NuGrape" as applied by petitioner to a soft drink, even though the product be made to simulate a grape flavor and color, is not primarily or *merely* descriptive of the product. The mark is suggestive and perhaps *highly* suggestive of the product, but it has been uniformly held that suggestiveness is not objectionable.¹ One court has said that in its opinion the best marks are highly suggestive.² This Court

¹*Bennett v. McKinley*, 65 F. 505, 506 (C.C.A. 2); *Sierra Chemical Co. v. Berittini*, 33 F. (2d) 397, 398 (C.C.A. 7); *Van Camp Sea Food Co. v. Alexander B. Stewart Organizations*, 50 F. (2nd) 976, 979 (C.C. & P. A.)

²"It is well settled in adjudicated cases that a valid trade-mark may be highly suggestive (in our opinion oftentimes the best ones are), without being offensively descriptive." *Van Camp Sea Food Co. v. Alexander B. Stewart Organizations*, 50 F. (2d) at p. 979 (C.C. & P.A.).

in the case of *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U. S. 251, said of "The American Girl" as a trade-mark for shoes (page 271):

"We do not regard the words 'The American Girl' adopted and employed by complainant in connection with shoes of its manufacture, as being a geographical or descriptive term. It does not signify that the shoes are manufactured in America, or intended to be sold or used in America, nor does it indicate the quality or characteristics of the shoes. *Indeed, it does not, in its primary signification, indicate shoes at all. * * **" (Italics added).

The Supreme Court in the *Nu-Enamel Case* was compelled to hold the term "Nu-Enamel" descriptive of enamel. By filing for registration under the 1920 Act the Nu-Enamel Corporation conceded that its mark was defective and not registrable as a good technical trade-mark under the Act of 1905, and in allowing registration the Commissioner concurred in the applicant's concession; otherwise, he would have been compelled to deny registration under the Act of 1920. To have held that "Nu-Enamel" was not descriptive the Court would have had to find that both the registrant and the Commissioner were in error in their original conceptions of the term's significance, and that the Commissioner committed error in allowing registration on the 1920 Act Register when registration under the Act of 1905 was allowable.

If the *Nu-Enamel Case* were followed by the Circuit Court in this case, it would have presumed, as the 1905 Act requires, that the trade-mark "NuGrape" was a valid trade-mark and properly upon the register; it would have imposed upon respondent the burden of proving the trade-mark invalid, and it would not have announced the erroneous proposition that "when a trade-mark is questioned, its validity must be established."

**THE CIRCUIT COURT OF APPEALS, IN HOLDING THE
TRADE-MARK "NuGRAPE" INVALID AND IN FAIL-
ING TO HOLD THE TERM DISTINCTIVE, COM-
PLETELY IGNORED THE EVIDENCE.**

Both lower courts found the facts usually essential to establish trade-mark validity, namely: long, extensive and exclusive use as a trade-mark; extensive advertising through all the media available; extensive and voluminous sales, and registration under the Trade-Mark Act of 1905 for more than twenty-three years. Such evidence and findings *compel* the conclusion that "NuGrape" is a valid trade-mark unless the respondent, who carries the burden, has proved that notwithstanding such evidence and findings the mark to the consuming public does not in fact distinguish the soft drink of petitioner from the soft drinks of others. Instead of sustaining the burden upon him, respondent and each of his witnesses testified to the distinctiveness of the trade-mark "NuGrape."

The respondent and each of his witnesses swore that he had known of the trade-mark "NuGrape" and the beverage sold under the mark for many years (See Appendix to Brief). Respondent testified that if he received an order for "NuGrape" at his place of business he would tell the customer that he did not have "NuGrape" and would ask if the customer would like his own product "TruGrape" (R. 47). The matter is a realistic one, and theory or speculation cannot supplant facts. If "NuGrape" meant merely a new grape colored or flavored beverage, then respondent, who is in business to make sales, since sales make profits, would readily supply his own product in response to a call for "NuGrape," for admittedly his beverage is the newer of the two by more than twenty years.

Each of respondent's witnesses testified that he was a consumer of soft drinks including both "NuGrape" and "TruGrape"; that he frequently purchased both; that he was not

confused between them, had not been served respondent's product when he ordered "NuGrape," and that he would not be confused in the future. At least two of these witnesses were also dealers in soft drinks, and each stated that in receiving calls for "NuGrape" he would serve petitioner's product if he had it in stock or would tell the customer that he did not have "NuGrape" and offer "TruGrape" or some other soft drink (R. 66, 68).

No greater tribute than that found in the testimony of respondent and his witnesses could be paid to the distinctiveness of the trade-mark "NuGrape." However the lower courts may have regarded the evidence as bearing on the issue of confusing similarity, they could not ignore the evidence of distinctiveness and determine the issue of distinctiveness on their own opinions contrary thereto without departing from the accepted and usual course of judicial procedure to a shocking degree.

A Trade-Mark to be valid need possess no magic, all that is required is that it distinguish the product of its owner. If it possesses this distinctiveness originally it is said to be a valid technical trade-mark, but if this distinctiveness is acquired by a descriptive term through use as a trade-mark it is said to be a good trade-mark by virtue of a secondary meaning. In this case original distinctiveness is established by registration and proof of long, extensive, exclusive and uncontested use as a trade-mark. Secondary meaning is established by the testimony of respondent and his own witnesses, all of whom testified conclusively that "NuGrape" served to distinguish petitioner's product.

Some of respondent's witnesses did testify that they did not know the identity of the producer or source of "NuGrape" and from this the lower courts must have concluded that the trade-mark was lacking in distinctiveness. The fact that the public does not know the identity of the origin or source of a trade-

marked article does not militate against distinctiveness or validity. One of respondent's witnesses testified that he smoked "Lucky Strike" cigarettes but did not know who produced them. The same witness also testified that he wore "Paris" garters and that he had known of them for twenty-five years but had no idea who produced them (R. 58). It is common knowledge that millions of people prefer, and use daily, hundreds of products which they order and distinguish by well-known trade-marks without the slightest idea of the identity of the origin or source of the products. The trade-mark to be valid must distinguish the product which bears it from the same type products of others, but it has been uniformly held that it need not identify the producer or source. *Schechter, Historical Foundations of Trade-Mark Law*, p. 149; *Deering Harvester Co. v. Whitman & Barnes Mfg. Co.*, 91 F. 376, 380 (C.C.A. 6); *Walter Baker & Co. v. Slack*, 130 F. 514, 518 (C.C.A. 7); *Siebert v. Findlater*, L. R. 7 Ch. Div. 801, 813. In holding "Coca-Cola" to be a valid trade-mark, this Court, in *Coca-Cola Co. v. Koke Company of America*, 254 U. S. 143, said: "It hardly would be too much to say that the drink characterizes the name as much as the name the drink."

**THE CIRCUIT COURT HAS HELD, IN CONFLICT WITH
A LATE DECISION OF THE SUPREME COURT AND
DECISIONS OF OTHER CIRCUIT COURTS, THAT
RESPONDENT IS NOT INFRINGING OR COMPET-
ING UNFAIRLY BECAUSE HE HAS SIMULATED
ONLY THE TRADE-MARK OF PETITIONER AND
NOT ITS PACKAGE DRESS.**

In deciding the issues of infringement and unfair competition presented by the pleadings, the Circuit Court assumed, without deciding, that the mark "NuGrape" had acquired a secondary meaning, found that the terms "NuGrape" and "TruGrape" were similar in sound but concluded (R. 86, 87):

"* * The evidence fails to show any confusing similarity in appearance, verbal translation of the pictures or de-

signs used on the bottles, or any similarity in the appearance or construction of the bottles themselves. The evidence completely fails to meet the test that the ordinary prospective purchaser exercising due care under the circumstances would be misled."

This conclusion of the Circuit Court was reached notwithstanding the affirmative finding of the District Court that actual confusion had been proved and that it would likely occur in the future. With respect to confusion, the District Court found¹ (Findings of Fact XV. R. 16, 17):

"My conclusion is that it is very probable that dealers may at times misunderstand which article a customer is calling for when reliance is placed upon the pronunciation of the two words by the average customer. I find that it did happen when representatives of the Plaintiff Company called upon dealers, and from that, conclude that it will happen in instances when the ordinary customer is calling upon the dealer for one or the other articles by name."

Obviously, the Circuit Court has said that irrespective of confusing similarity of the marks involved, actual confusion and likelihood of confusion, respondent has not also copied the construction or design of petitioner's bottle nor the "verbal translation of the pictures or designs used on petitioner's bottle," and is therefore free to use the offending trade-mark.

If the reasoning of the Circuit Court and the result reached be sound there is no value whatsoever in a trade-mark. Under

¹While the District Court found actual confusion between the trade-marks involved and concluded that there would likely be confusion in the future (Findings of Fact XV, R 16, 17), he also found that "By placing the bottled product of the Plaintiff's side by side with the bottled product of the Defendant, there is no likelihood that the ordinary purchaser, while exercising due care and caution, would be misled and deceived" into accepting one product for the other (Findings of Fact XX, R. 18). This latter finding is of no consequence since in actual experience customers have no opportunity to place the 5c products of the parties "side by side." The determination of confusing similarity by such comparison has been consistently denounced. *Arvick v. Rockmont Envelope Co.*, 155 F. (2nd) 568, 572 (C.C.A. 10).

the rule announced one could appropriate or copy at will the trade-mark of another without fear of reprisal, provided care were taken not to also copy the design or decorative features of the trade-mark owner's package.

There was no contention in this action that respondent had simulated petitioner's package. The sole charge was that respondent had simulated petitioner's trade-mark "NuGrape" and through use of such similar mark was infringing the trade-mark of petitioner and competing unfairly with petitioner. The right asserted by petitioner was the *right to exclusive use* of its mark "NuGrape" by reason of its original distinctiveness or its distinctiveness acquired through twenty-five years of exclusive, extensive use as a trade-mark.

In *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U. S. 315, this Court said that in such a case the cause of action is the interference with the exclusive right to use the mark, whether such exclusive right be based upon original distinctiveness or secondary meaning. This Court, at page 325, said:

"* * The cause of action is the interference with the exclusive right to use the mark 'Nu-Enamel.' If it is a properly registered trade-mark, a ground to support the cause of action is violation of the Trade-Mark Act. If it is not a properly registered trade-mark, the ground is unfair competition at common law. The facts supporting a suit for infringement and one for unfair competition are substantially the same. They constitute and make plain the wrong complained of, the violation of the right to exclusive use."

The rule announced in the *Nu-Enamel Case* is clear and unequivocal. The Circuit Court has completely ignored this late decision and announced a novel and dangerous principle in direct conflict with it. Moreover, the decision of the Circuit Court is directly in conflict with the decision of the Circuit Court of Appeals for the Ninth Circuit in *N. K. Fairbank Co. v.*

Luckel, King & Cake Soap Co., 102 F. 327. The Court there had before it the identical situation: a party seeking to justify his appropriation of another's trade-mark on the ground that he had not also simulated the dress of the other's package. The Court said, at page 331:

"It is claimed that the respondent's packages are to the eye unlike complainant's. Admit it. There are many cases where respondent's packages and labels are to the eye so distinctive and unlike the packages of complainant as not to deceive purchasers exercising ordinary care, who are accustomed to the size of the packages and the general characteristics of the labels. But how about the stranger who knows nothing about the packages or of the labels, but has read the advertisement, and remembers the name 'Gold Dust'? Is it not fair to assume in a case like this that a decided majority of the purchasers would not ask for a specific size of a package with a certain designated label? Would they not call for the article by name? It must constantly be borne in mind that there are two kinds of trade-marks — one of peculiar pictures, labels, or symbols; the other in the use of a name. The infringement charged herein is in the adoption by the respondent of both the trade-name and trade-mark. So far as the name 'Gold Dust' is concerned, the dissimilarity of the labels, size of packages, and character of symbols can make no essential difference." (Italics added).

The decision here is also in conflict with the decision of the Circuit Court of Appeals for the Second Circuit in *Fuller v. Huff*, 104 F. 141. It was there said, at page 144:

" * It is to be observed that the frequent insignia of an intent to deceive, viz. the copy or the imitation, more or less close, of the dress of the competitor's packages, are absent in this case; but if a trade-name has been so identified with the business of a manufacturer as to inform the public that the name upon goods means that they are the product of that person, and another subsequently adopts and displays the name, it is not material that he has not also adopted the particular dress in which his predecessor has presented his goods."*

CONCLUSION.

The errors complained of seem substantial. The utter disregard of the statutory presumption and the conflicts with decisions of the Supreme Court and other Circuit Courts of Appeal seem particularly important when it is known that the Circuit Court of Appeals for the Tenth Circuit has decided only three or four trade-mark and unfair competition cases. The Decision is extremely vital to petitioner since its good will and business have been completely destroyed and the public is advised by the decision that it may appropriate petitioner's trade-mark or any simulation of it provided care is taken not to also copy its bottle and other features of dress. The great public interest seems apparent upon recognition of the fact that trade-marks and the rights for which they stand have never had greater value than today under our present means and methods of marketing, advertising and merchandising. The physical properties and assets of most businesses are insignificant in comparison with the values of their trade-marks, and in this field the Supreme Court has expressed itself no more than three times in the past twenty years.

It is respectfully urged that the petition for writ of certiorari be granted.

ERNEST P. ROGERS,
TROY SHELTON,
Attorneys for Petitioner.

SMITH, KILPATRICK, CODY, ROGERS & McCLATCHEY,
1045 Hurt Building,
Atlanta, Georgia.

EMBRY, JOHNSON, CROWE, TOLBERT & SHELTON,
First National Building,
Oklahoma City, Oklahoma.

Of Counsel.

APPENDIX

The testimony of Respondent's witnesses before the District Court on distinctiveness of the trade-mark "NuGrape" is set forth in this appendix for ready reference.

The first of these witnesses, H. C. GALLOWAY, testified (R. 57): "I am familiar with the imitation grape beverage sold under the name 'NuGrape', and am also familiar with the imitation grape beverage sold under the name 'Tru-Grape'. I occasionally purchase those beverages as a customer, * * * I have experienced no difficulty in selecting the beverage I desired."

The next witness, N. HILL, testified (R. 58): "I am acquainted with an imitation grape soda or beverage sold under the name 'NuGrape' and am also familiar with a similar beverage sold under the name 'TruGrape'. I have handled those beverages as a dealer. * * * As a dealer I did not experience any confusion when a customer would call for 'NuGrape' in selecting that beverage for him. * * * I have known of 'Nu-Grape' ever since I have handled soda pop — I think about 1938 when I started in."

J. A. CARNES testified (R. 59): "I am familiar with imitation grape beverage sold under the name of 'NuGrape' and am also acquainted with an imitation grape beverage sold under the name of 'TruGrape.' I am an occasional purchaser of those beverages. * * * Never in my life has any dealer offered me 'TruGrape' when I called for 'NuGrape.' * * * I don't want to say how long I have known of 'NuGrape.' I have been drinking cold drinks fifteen or twenty years. I wouldn't say just how long I have known of 'NuGrape'; it has been some time."

J. C. McLENDON testified (R. 61): "I am familiar with the beverages sold under the name of 'NuGrape' and under the name of 'TruGrape' to this extent. I have seen them both and

APPENDIX—(Continued)

drunk them both. * * * I have never had any difficulty selecting the one I wanted because of similarity between those names or bottles."

RAYMAND R. SHARP testified (R. 61) "I am familiar with an imitation grape beverage sold under the name of 'NuGrape', in that I have seen it around, and I am also familiar with a grape beverage sold under the name of 'TruGrape'. As a consumer, I occasionally purchase those beverages probably around filling stations and grocery stores in Duncan and vicinity. * * * I don't think I have ever inadvertently selected one when I wanted the other; I do not recall whether I have or not."

B. S. MOORE testified (R. 62): "As to whether I am familiar with a grape beverage sold under the name of 'NuGrape,' well, nothing only I just know the two, I have handled them for about a year. * * * I have not, as a retail dealer, ever furnished one of these beverages to a customer when that customer called for the other."

TATE SPRINGFIELD testified (R. 63): "I have seen the imitation grape beverages 'NuGrape' and 'TruGrape' before and am an occasional consumer of those beverages."

R. W. RICHARDSON, JR., testified (R. 63): "I have drunk these beverages 'NuGrape' and 'Tru Grape'. I am a consumer and purchase them from time to time. * * * In desiring 'NuGrape' I have not been confused and selected 'TruGrape' instead. Nobody I have purchased those beverages from has given me the other when I asked for one."

J. V. MOSLEY testified (R. 64): "I am familiar with a beverage sold under the name of 'NuGrape' and that sold under the name 'TruGrape', and I am a consumer of those beverages. I have drunk both of them. I often buy the beverages, usually making my purchase in a cafe or one of the grocery stores or

APPENDIX—(Continued)

filling stations." In testifying with reference to calls by him for the two beverages, he said: "* * * no retail dealer ever furnished me one beverage when I called for the other. * * * I was not confused in calling for them." Later, however, on cross examination, he confused one for the other, as indicated by the following colloquy:

Q. "How long have you known of NuGrape, Mr. Mosely?"

A. "Well, I imagine ever since they began manufacturing it in Duncan. I didn't pay any particular attention. I didn't know what Mr. Guest bottled until maybe two years."

Q. "Did you understand me then, Mr. Mosely?" A. "How is that?"

Mr. Rogers (counsel for Appellant): "Mr. Reporter, would you read my question back?"

(The question was read.)

A. "I believe I have known it ever since Mr. Guest has been manufacturing it in Duncan, oh, say 1942."

Mr. Dudley (counsel for Appellee): "Are you sure you understand counsel's question?"

The Court: "He has gone over that. He said it. His attention has been called to it. Just stand aside."

O. C. COMBS testified (R. 65): "I am familiar with the beverages, one sold under the name of 'NuGrape' and the other under the name 'TruGrape.' * * * I have two children and am a frequent purchaser of those beverages. As to where I usually buy them, well, we just got back from Texas, we buy beverages on trips. Then we buy them at grocery stores and around Duncan, different places. * * * In selecting 'TruGrape' I have never made a mistake and selected the other instead."

APPENDIX—(Continued)

ELMER MORGAN testified (R. 66) that he operated a soft drink concession at the court house in Duncan; that he was blind and that he distinguished beverages handled by him by the feel of the bottles, and by the different locations in which they were placed in his cooler box. With respect to the products and terms here involved he said: "I am familiar with the imitation grape beverages known as 'NuGrape' and 'TruGrape' * * * I can distinguish one of those bottles from the other and have never furnished a customer calling for 'NuGrape', 'TruGrape' instead. I furnish whatever they call for. I don't have 'NuGrape' I will say I have 'TruGrape' or 'Grapette'. If they call for 'TruGrape' I serve it. They know what they are calling for."

W. C. WOOTEN testified (R. 68): "I am a retailer of cold drinks and handle both 'NuGrape' and 'TruGrape', as well as other soda pop. * * * The last grape drink I know of is 'TruGrape.' If somebody asked me for 'NuGrape', if I didn't have it I would tell them I didn't and if I did I would sell them 'NuGrape'."

WALTER FOWLER and OTTO UTT were present to testify on respondent's call. It was stipulated that if called they would testify as did previous witnesses of respondent.

FILE COPY

No. 654

U.S. Supreme Court,
WILLIAM

MAR 29 1948

U.S. SUPREME COURT
CLERK

Supreme Court of the United States

(October Term, 1947)

NATIONAL NUGRAPE COMPANY,
Petitioner,

VERSUS

JAMES D. GUEST, Trading and Doing Business Variously as
Tot Beverage Company and TruGrape Company,
Respondent.

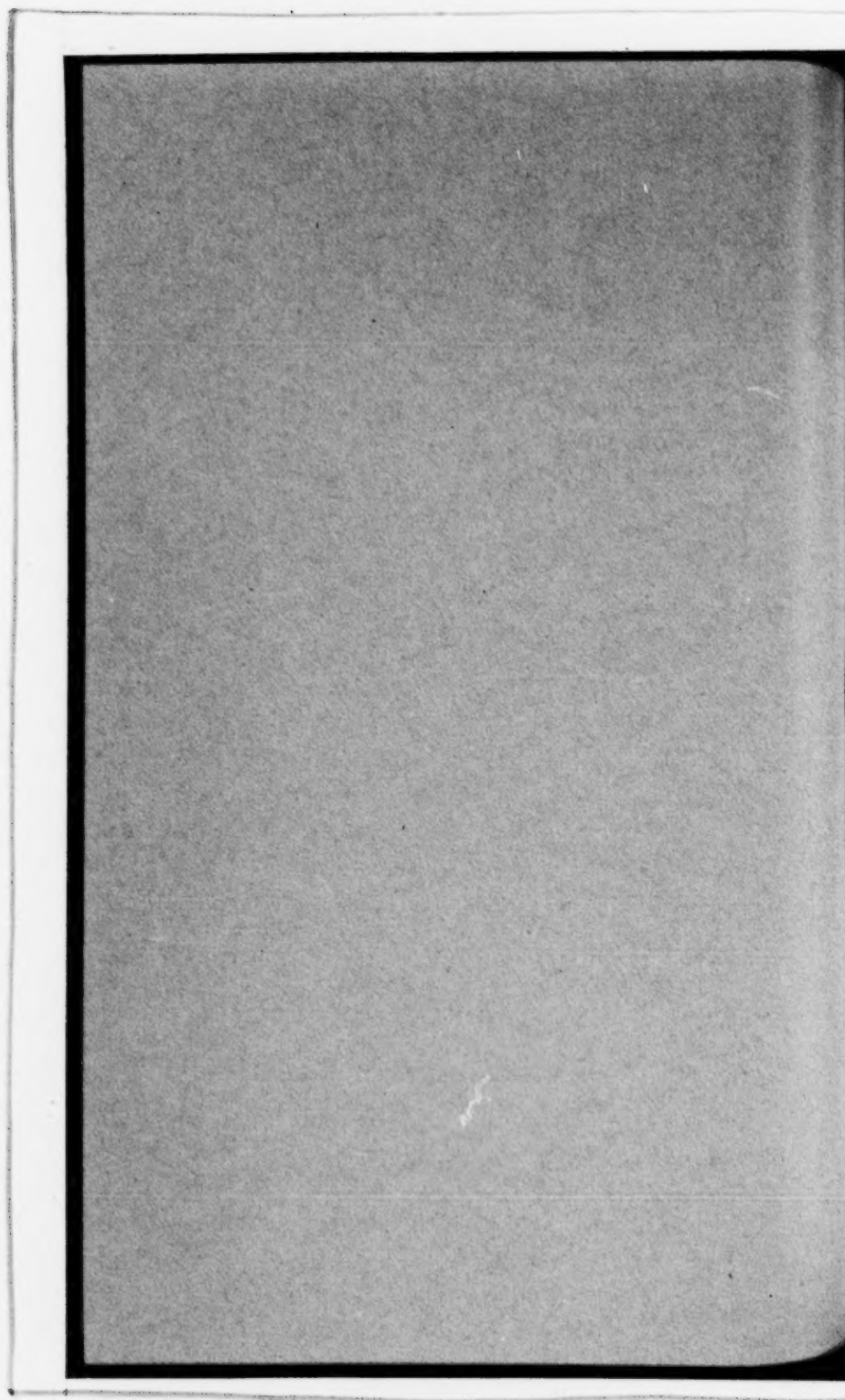
BRIEF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

F. M. DUDLEY,
Counsel for Respondent.

Of Counsel:

RICHARDSON, SHARTEL, COCHRAN & PRUET,
1133 First National Building,
Oklahoma City, Oklahoma.

March, 1948.



Subject Index

	PAGE
Opinions Below	1
Statement of the Case	1
The Evidence	2
Argument	6
Summary of the Argument	6
Point A. The Decision of the Circuit Court of Appeals in holding the mark "NuGrape" invalid as a technical trade-mark does not ignore and is not in conflict with the Federal Statute involved.....	6
Point B. The Decision of the Circuit Court of Appeals in holding the mark "NuGrape" invalid as a statutory trade-mark is not in conflict with the Decision of the Supreme Court in <i>Armstrong Paint & Varnish Works v. NuEnamel Corp. et al.</i> , 305 U. S. 315	9
Point C. The Circuit Court of Appeals in holding the mark "NuGrape" invalid as a statutory trade-mark and in not holding the term had acquired a secondary meaning did not ignore the evidence..	10
Point D. The Holding of the Circuit Court of Appeals that petitioner's evidence fails to show an infringement on the part of respondent by unfair trade practices is not in conflict with a late Decision of the Supreme Court and Decisions of other Circuit Courts	12
Conclusion	15

Authorities

CASES:

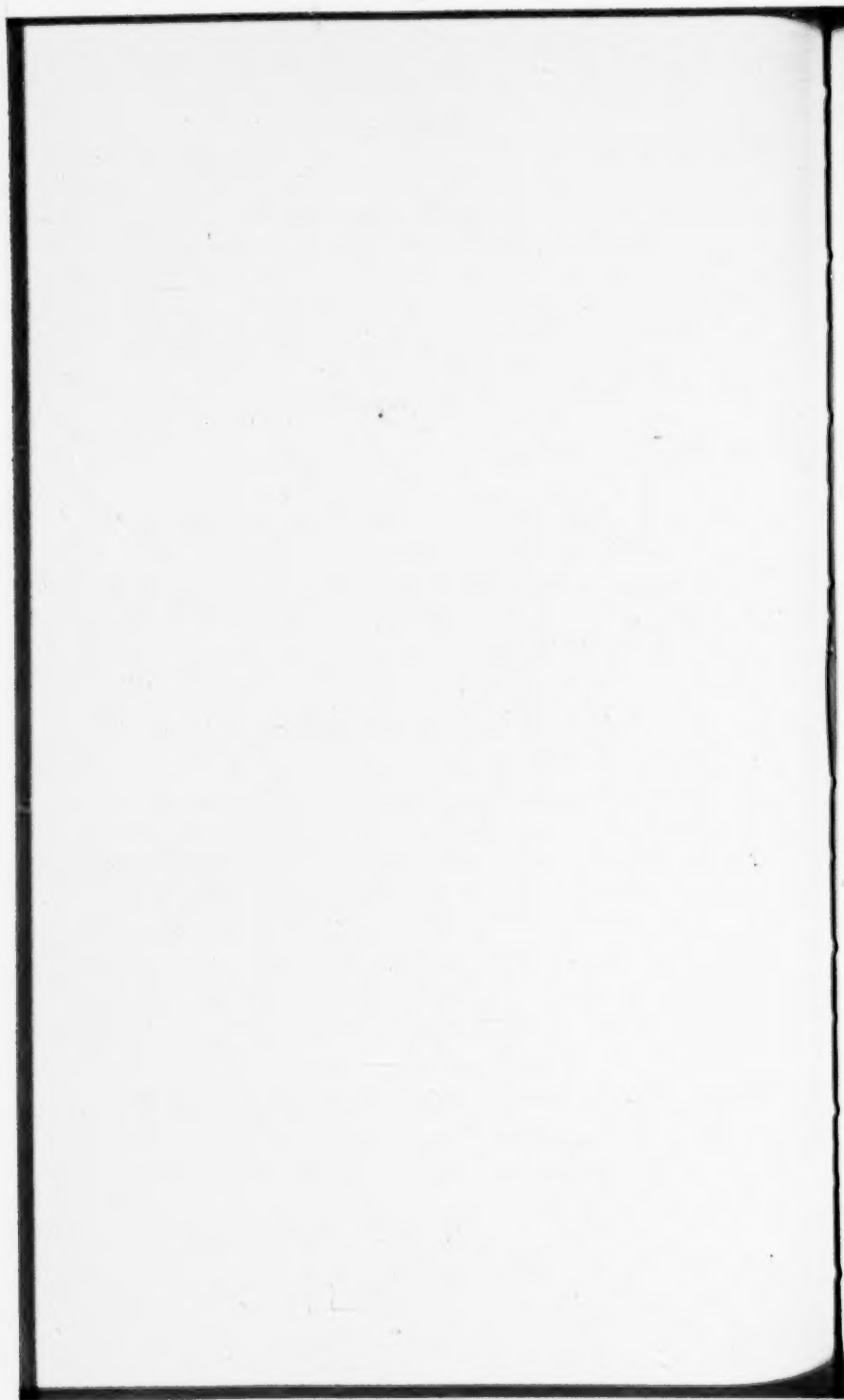
Armstrong Paint & Varnish Works v. NuEnamel Corp. et al., 305 U. S. 315.....	8, 13-14
Barton et al. v. Rex-Oil Co. Inc. (C. C. A. 3), 2 Fed. (2d) 402	8
Bayer Company, Inc. v. United Drug Company (D. C., S. D., N. Y.), 272 Fed. 505	10
Bliss, Fabyan & Co. v. Aileen Mills (C. C. A. 4), 25 Fed. (2d) 370	8
Charles Broadway Rouss, Inc. v. Winchester Co. (C. C. A. 2), 300 Fed. 706, 717	10
Chicago Pneumatic Tool Co. v. Black & Decker Mfg. Co., 39 Fed. (2d) 684	8
Elgin Nat'l Watch Co. v. Illinois Watch Co., 179 U. S. 665, 673	8
Fairbank Co., N. K. v. Luckel, King & Cake Soap Co., 102 Fed. 327	14
Fleet Co., C. B. v. Mobile Drug Co. (C. C. A. 5), 284 Fed. 313	8
Fuller v. Huff et al., 104 Fed. 141	14
Gillette Safety Razor Co. v. Triangle Mechanical Lab. Corp. (D. C.), 4 Fed. Supp. 319	10
Griffin Mfg. Co. v. It Shoe Polish Co. (C. C. A. 4), 80 Fed. (2d) 514	8
Howe Scale Co. v. Wyckoff, Seamans & Benedict, 198 U. S. 118	13, 14
Kellogg Co. v. National Biscuit Co., 305 U. S. 111	9, 10, 11, 13, 14
Kellogg Toasted Corn Flake Co. v. Quaker Oats Co., 235 Fed. 657	10

INDEX CONTINUED

	PAGE
Selchow & Righter Co. v. Western Printing & Litho- graphing Co. et al. (D. C., Wisc.), 47 Fed. Supp. 322	11
Skinner Mfg. Co. v. General Food Sales Company, 52 Fed. Supp. 432, affirmed by the Eighth Circuit, 143 Fed. (2d) 895, cert. denied, 323 U. S. 766...	8, 10, 11
Standard Paint Co. v. Trinidad Asphalt Mfg. Co., 220 U. S. 446	8, 9, 13, 14
Steem-Electric Corp. v. Herzfeld Phillipson Co. (C. C. A. 7), 118 Fed. (2d) 122	8, 10
Sterling Products Corp. v. Sterling Producers (D. C.), 45 Fed. Supp. 960	10
Ungles-Hoggette Mfg. Co. v. Farmers' Hog & Cattle Powder Co. (C. C. A. 8), 232 Fed. 116	8
Van Camp Sea Food Co. v. A. B. Stewart Organiza- tions, 50 Fed. (2d) 976	8, 9
Van Camp Sea Food Co. v. Cohn-Hopkins (C. C. A. 9), 56 Fed. (2d) 797	8
Wagner's Sons Co. v. Orange Snap Co. (C. C. A. 5), 18 Fed. (2d) 554	8
Warner & Co. v. Lilly & Co., 265 U. S. 526.....	8, 9, 13, 14
Wyatt et al. v. Mammoth Cave Development Co. (C. C. A. 6), 26 Fed. (2d) 322	8
Zangerle & Peterson Co. v. Venice Furniture Novelty Mfg. Co. (C. C. A. 7), 133 Fed. (2d) 266, 270....	10

FEDERAL STATUTES:

Federal Trade-mark Act of February 20, 1905 (15 U. S. C. 81)	2, 6-7
-----------------------------------------------------------------------	--------



No. 654

Supreme Court of the United States
(October Term, 1947)

NATIONAL NUGRAPE COMPANY,
Petitioner,

V E R S U S

JAMES D. GUEST, Trading and Doing Business Variously as
Tot Beverage Company and TruGrape Company,
Respondent.

**BRIEF OF RESPONDENT IN OPPOSITION TO
PETITION FOR WRIT OF CERTIORARI**

OPINIONS BELOW

The opinion of the Circuit Court of Appeals appears on pages 83 to 87 of the Record and is reported in 164 Fed. (2d) 874. The Findings of Fact and Conclusions of Law of the District Court appear on pages 13 to 20 of the Record and are reported in 69 Fed. Supp. 863.

I.

STATEMENT OF THE CASE

This suit was brought in the District Court of the United States for the Eastern District of Oklahoma by petitioner against respondent for alleged infringement of petitioner's registered trade-mark and for unfair competition.

The judgment of the District Court which was in favor of respondent was affirmed by the United States Circuit Court of Appeals for the Tenth Circuit.

In affirming the judgment of the District Court, the Circuit Court of Appeals held that petitioner's alleged trade-mark "NuGrape" is a term made up of the words "new," misspelled, and "grape" and although registered under the Federal Trade-mark Act of February 20, 1905 (15 U. S. C. 81 *et seq.*) the term is not a valid trade-mark for the reason it is descriptive of petitioner's grape product; that petitioner's evidence fails to show infringement by unfair trade practices on the part of respondent, and further held:

"The most that can be said is that there is some similarity in sound between the words 'NuGrape' and 'TruGrape.' The evidence fails to show any confusing similarity in appearance, verbal translation of the pictures or designs used on the bottles, or any similarity in the appearance or construction of the bottles themselves. The evidence completely fails to meet the test that the ordinary prospective purchaser exercising due care under the circumstances would be misled" (164 Fed. [2d] 874, 877).

Neither the District Court nor the Circuit Court of Appeals held that petitioner's term "NuGrape" had acquired a secondary meaning.

THE EVIDENCE

Petitioner introduced in evidence the Certificate of Registration of the term "NuGrape" under the Trade-mark Act of February 20, 1905 (R. 30, 31, 77); Certificate of Re-

newal (R. 30, 31, 79), and Certificate showing registration in 1939 of the term "NuGrape" in the State of Oklahoma (R. 80). Petitioner called one of its officers and two of its investigators as witnesses. The officer testified that petitioner is a Georgia Corporation, located in Atlanta, Georgia; that petitioner and its predecessor have been manufacturing and marketing a carbonated grape drink since 1921 under the registered mark NuGrape. That petitioner, exclusive of its predecessor, has expended more than \$800,000.00 in advertising its beverages and sells its product in a majority of the states of the United States, including the State of Oklahoma, and that petitioner's sales have aggregated more than \$5,000,000.00. That the mark "NuGrape" was registered in 1923, in the United States Patent Office under the Federal Trade-mark Act of February 20, 1905, and on August 29, 1939, the term was registered with the Secretary of State of Oklahoma. This witness further testified that petitioner protested the use of the name "TruGrape" by respondent as being an infringement of its mark (R. 29-34). The two investigators testified to making calls, in the guise of customers upon the dealers in various towns in respondent's trade territory and of ordering either NuGrape or TruGrape, and that in about one-fourth of the places at which they called they were served one drink though they had asked for the other (R. 34-36).

Respondent testified (R. 47-54) that he had been connected with the soft drink industry since 1940 (R. 47); that his bottling plant completely equipped for bottling soft drinks is located at Duncan, Oklahoma (R. 51); that in the latter part of 1941 he began working on a formula for the

grape beverage which he sells under the term "TruGrape," and he began marketing the beverage in 1942 (R. 48); that the product of his formula "was a very true character of grape and that gave" him "the suggestion. That is why we selected 'TruGrape' because it described what we had * * * " (R. 52-53); that in the latter part of 1942 or the first part of 1943 he changed the name of his business to "TruGrape Company" (R. 53); that his business name and address, The TruGrape Company, Duncan, Oklahoma, appears on each of his bottles (R. 50). A bottle of petitioner's imitation grape beverage bearing the term "NuGrape" was introduced in evidence (Deft's. Ex. 1, R. 50) and also a bottle of respondent's imitation grape beverage bearing the term "TruGrape" was introduced in evidence (Deft's. Ex. 2, R. 50). Respondent testified to the shape and size of these bottles, the markings and crowns thereon, the lack of similarity (R. 50) and to the difference in color and flavor of the beverages (R. 51). These exhibits were transmitted on appeal to the Circuit Court of Appeals (R. 81).

Respondent's plant manager and sales supervisor was called and testified to respondent's sales methods and trade practices (R. 54-57).

Eight consumer witnesses and five dealer witnesses were called on behalf of respondent (R. 57-68). Each of the consumer witnesses testified in substance that he was familiar with the imitation grape beverage sold under the name "NuGrape" and with the imitation grape beverage sold under the name "TruGrape"; that he had purchased both of the beverages, occasionally helping himself, making his se-

lection from coolers in which both beverages were kept and had never experienced any difficulty in selecting the beverage desired; that he had never been given one of the beverages when he had requested the other and had never been confused between them and would not be confused (R. 57-68). Each of the consumer and dealer witnesses testified in substance that he did not know the source, origin or manufacturer of the beverage sold under the name "NuGrape." These witnesses testified that the term "NuGrape" signified to them "a grape flavor * * * It indicates to me what is in the bottle, the beverage. * * * it does not indicate to me in any way the source, origin or manufacturer of the product" (R. 57); " * * * simply grape soda" (R. 59); "A new drink * * * if I want a grape beverage that indicates a grape beverage to me" (R. 60); " * * * a grape soda" (R. 61); " * * * just a grape soda * * * I do not buy that beverage because I know where it is made or its origin * * * I buy it because I want a grape beverage, and the name indicates that is what is in the bottle" (R. 62); "I just thought * * * they had a new flavor * * * " (R. 63); " * * * soda pop to me. I do not buy either of those because I know where they are manufactured, or the origin. That name does not signify the maker of the beverage to me" (R. 63); " * * * merely * * * contents of the bottle * * * " (R. 64); " * * * does not suggest to me the origin or what company manufactures it. It simply signifies the contents" (R. 66).

II.

ARGUMENT

SUMMARY OF THE ARGUMENT

Point A. The decision of the Circuit Court of Appeals in holding the mark "NuGrape" invalid as a technical trade-mark does not ignore and is not in conflict with the Federal Statute involved.

Point B. The decision of the Circuit Court of Appeals in holding the mark "NuGrape" invalid is not in conflict with the decision of the Supreme Court in *Armstrong Paint & Varnish Works v. NuEnamel Corp.*, 305 U. S. 315.

Point C. The Circuit Court of Appeals in holding the mark "NuGrape" invalid as a statutory trade-mark and in not holding the term had acquired a secondary meaning did not ignore the evidence.

Point D. The holding of the Circuit Court of Appeals that petitioner's evidence fails to show an infringement on the part of respondent by unfair trade practices is not in conflict with a late decision of the Supreme Court and decisions of other Circuit Courts.

Point A.

The Decision of the Circuit Court of Appeals in holding the mark "NuGrape" invalid as a technical trade-mark does not ignore and is not in conflict with the Federal Statute involved.

Validity of petitioner's alleged trade-mark was made an issue by respondent's answer (R. 10).

The term "NuGrape" was registered by petitioner under the Trade-mark Act of February 20, 1905, (15 U. S. C. 81, *et seq.*). Section 5(b) of that Act provides:

"Provided, That no mark which consists * * * merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods * * * shall be registered under the terms of this subdivision of this chapter * * * ."

Petitioner's product in connection with which it uses the term "NuGrape" is an imitation grape beverage, grape soda (R. 50, 57-68), a carbonated grape drink (R. 83; 164 Fed. [2d] 874, 875). A sample of the product was in evidence and before both the District Court and the Circuit Court of Appeals (R. 50, 81). Respondent's witnesses testified that the term "NuGrape" indicated to them "a grape flavor * * * . It indicates to me what is in the bottle, the beverage. * * * it does not indicate to me in any way the source, origin or manufacturer of the product" (R. 57); " * * * simply grape soda" (R. 59); "A new drink * * * if I want a grape beverage that indicates a grape beverage to me" (R. 60); " * * * a grape soda" (R. 61); " * * * just a grape soda * * * I do not buy that beverage because I know where it is made or its origin * * * I buy it because I want a grape beverage, and the name indicates that is what is in the bottle" (R. 62); "I just thought * * * they had a new flavor * * * " (R. 63); " * * * soda pop to me. I do not buy either of those because I know where they are manufactured, or the origin. That name does not signify the maker of the beverage to me" (R. 63); " * * * merely * * * contents of the bottle * * * " (R. 64); " * * * does not suggest to me the origin or what company manufactures it. It simply signifies the contents" (R. 66).

The evidence shows that the term "NuGrape" is merely descriptive of the product with which it is used, and not indicative of the origin or ownership of the product (R. 57-68; Ccn. of Law VII, R. 20; 164 Fed. [2d] 874, 876). The term is made up of the words "new," misspelled, and "grape." The cases dealing with such words and with words alleged to be an infringement on their use are numerous.¹

A term which is descriptive is not a good trade-mark at common law.²

A registered trade-mark is not valid when the term used is merely descriptive of the product, or its ingredients, qualities, or characteristics.³

The Circuit Court' holding (R. 85; 164 Fed. [2d] 874, 877)

"The trial court's finding that the term 'NuGrape' is descriptive of the plaintiff's grape product, and therefore, is not a valid trade-mark, is well founded,"

¹ For some of these cases, see *Armstrong Paint & Varnish Works v. NuEnamel Corp. et al.*, 305 U. S. 315; *Standard Paints Co. v. Trinidad Asphalt Mfg. Co.*, 220 U. S. 446; *Barton et al. v. Rex-Oil Co., Inc.* (3 Cir.), 2 Fed. (2d) 402; *Griffin Mfg. Co. v. It Shoe Polish Co.* (4 Cir.), 80 Fed. (2d) 514; *Steen-Electric Corp. v. Herzfeld Phillipson Co.* (7 Cir.), 118 Fed. (2d) 122; *Warner & Co. v. Lilly & Co.*, 265 U. S. 526; *Wagner's Sons Co. v. Orange Snap Co.* (5 Cir.), 18 Fed. (2d) 554; *Bliss, Fabyan & Co. v. Aileen Mills* (4 Cir.), 25 Fed. (2d) 370; *Wyatt et al. v. Mammoth Cave Development Co.* (6 Cir.), 26 Fed. (2d) 322; *Chicago Pneumatic Tool Co. v. Black & Decker Mfg. Co.*, 39 Fed. (2d) 684; *Van Camp Sea Food Co. v. Coburn-Hopkins* (9 Cir.), 56 Fed. (2d) 797; *Skinner Mfg. Co. v. Kellogg Sales Co.* (8 Cir.), 143 Fed. (2d) 895; *Ungles-Hoggette Mfg. Co. v. Farmers' Hog & Cattle Powder Co.* (8 Cir.), 232 Fed. 116; *C. B. Fleet Co. v. Mobile Drug Co.* (5 Cir.), 284 Fed. 813.

² *Armstrong Paint & Varnish Works v. NuEnamel Corp.*, 305 U. S. 315, 335; *Warner & Co. v. Lilly & Co.*, 265 U. S. 526, 528; *Standard Paints Co. v. Trinidad Asphalt Mfg. Co.*, 220 U. S. 446, 453; *Elgin Nat. Watch Co. v. Illinois Watch Co.*, 179 U. S. 665, 673.

³ *Warner & Co. v. Lilly & Co.*, 265 U. S. 526; *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U. S. 446; *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111; *Van Camp Sea Food Co. v. A. B. Stewart Organizations*, 50 Fed. (2d) 976.

is sustained by the evidence and the authorities and is not in conflict with any provision of the Federal Trade-mark Act of 1905.

Point B.

The Decision of the Circuit Court of Appeals in holding the mark "NuGrape" invalid as a statutory trade-mark is not in conflict with the Decision of the Supreme Court in *Armstrong Paint & Varnish Works v. NuEnamel Corp. et al.*, 305 U. S. 315.

As stated under Point A respondent's evidence (R. 57-68) shows that the term "NuGrape" is merely descriptive of the product with which it is used, and not indicative of the origin or the ownership of the product.

The Circuit Court of Appeals, citing some of the many cases holding such a mark invalid,⁴ and relying on their authoritativeness said (164 Fed. [2d] 874, 876):

"It has long been recognized that a registered trade-mark is not valid when the term used is merely descriptive of the product, or of its ingredients, qualities or characteristics."

And at page 877 held:

"The trial court's finding that the term 'NuGrape' is descriptive of the plaintiff's grape product, and therefore, is not a valid trade-mark, is well founded."

⁴ *Warner & Co. v. Lilly & Co.*, 265 U. S. 526; *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U. S. 446; *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111; *Van Camp Sea Food Co. v. A. B. Stewart Organizations*, 50 Fed. (2d) 976.

Nothing appearing in the *NuEnamel* case required the Circuit Court of Appeals in the instant case, where the evidence shows the mark in controversy to be merely descriptive of the product with which it is used, to presume the mark valid and properly registered under the Trade-mark Act of 1905.

Point C.

The Circuit Court of Appeals in holding the mark "Nu-Grape" invalid as a statutory trade-mark and in not holding the term had acquired a secondary meaning did not ignore the evidence.

The burden of proof was on petitioner to show that the term "NuGrape" had acquired a secondary meaning.⁵ That burden is not a light one or easily sustained.⁶ In determining whether a term has acquired a secondary meaning "evidence coming from the consuming public as to its reaction to" the term is important.⁷ In order to establish a secondary meaning for the term in controversy the burden was on petitioner to show that the primary significance of the term in the minds of the consuming public

⁵ *Kellogg Co. v. National Biscuit Company*, 305 U. S. 111, 118; *Kellogg Toasted Corn Flake Co. v. Quaker Oats Co.* (6 Cir.), 235 Fed. 657; *Steem-Electric Co. v. Herzfeld-Phillipson Co.* (7 Cir.), 118 Fed. (2d) 122; *Sterling Products Corp. v. Sterling Producers* (D. C.), 45 Fed. Supp. 960; *Gillette Safety Razor Co. v. Triangle Mechanical Lab. Corp.* (D. C.) 4 Fed. Supp. 319; *Skinner Mfg. Co. v. General Food Sales Co.* (D. C.), 52 Fed. Supp. 432.

⁶ *Skinner Mfg. Co. v. General Food Sales Company*, 52 Fed. Supp. 432, Affirmed 8 Cir., 143 Fed. (2d), 895, Cert. Denied 323 U. S. 766.

⁷ *Steem-Electric Corp. v. Herzfeld-Phillipson et al.* (7 Cir.), 118 Fed. (2d) 122; *Charles Broadway Rouss, Inc. v. Winchester Co.* (2 Cir.), 300 Fed. 706, 717; *Zangerle & Peterson Co. v. Venice Furniture Novelty Manufacturing Company* (7 Cir.), 133 Fed. (2d) 266, 270; *Bayer Company, Inc. v. United Drug Company* (D. C., S. D., N. Y.), 272 Fed. 505.

is not the product but the producer.⁸ This it has not done. Long use, extensive advertising, large volume of sales, neither singularly nor collectively suffice to establish a secondary meaning for the term "NuGrape."⁹

None of the witnesses called on behalf of petitioner represented the consuming public. Eight of the witnesses called on behalf of respondent represented the consuming public. The testimony of these consumer witnesses bearing on the significance of the term "NuGrape" is set forth under Point A. This testimony shows that the term signifies to the ordinary consumer the type of product rather than the producer. The District Court so held (Con. of Law VII, R. 19, 20) and the Circuit Court of Appeals approved (164 Fed. [2d] 874, 877).

With respondent's evidence showing that the term "NuGrape" signifies to the ordinary consumer the type of product rather than the producer and petitioner having failed to show that the primary significance of the term in the minds of the consuming public is not the product but the producer, petitioner's assertion that the Circuit Court of Appeals in failing to hold the term had acquired a secondary meaning ignored the evidence is without foundation.

Under Points A and B we have shown that the Circuit Court of Appeals did not ignore the evidence, the Federal

⁸ *Kellogg Co. v. National Biscuit Company*, 305 U. S. 111, 118.

⁹ *Kellogg Co. v. National Biscuit Company*, 305 U. S. 111; *Selchow & Righter Co. v. Western Printing & Lithographing Co. et al.* (D. C., Wis.), 47 Fed. Supp. 322; *Skinner Mfg. Co. v. General Food Sales Company*, 52 Fed. Supp. 432; affirmed 8 Cir., 143 Fed. (2d) 895, Cert. Denied 323 U. S. 766.

Trade-mark Act of 1905 or the controlling authorities in holding the term in controversy to be invalid as a statutory or technical trade-mark.

Point D.

The Holding of the Circuit Court of Appeals that petitioner's evidence fails to show an infringement on the part of respondent by unfair trade practices is not in conflict with a late Decision of the Supreme Court and Decisions of other Circuit Courts.

The term in controversy is invalid as a statutory or technical trade-mark because of descriptiveness. Petitioner failed to establish a secondary meaning for the term and from its meager evidence neither of the lower courts found that the term had acquired a secondary meaning. The term denotes "the type of product rather than the producer" (Con. of Law VII, R. 20; 164 Fed. [2d] 874, 877).

The evidence shows that respondent selected and uses the term "TruGrape" to describe his own product and that the term is descriptive of the product. Respondent testified "when I arrived at the formula * * * we decided it was a very true character of grape and that gave * * * the suggestion. That is why we selected 'TruGrape' because it described what we had (R. 52, 53) * * * it serves to denote that product in that it describes the beverage very well" (R. 48).

Respondent's use of the term "TruGrape" to truthfully describe his own product does not constitute a legal or

moral wrong.¹⁰ The only obligation resting upon him is to identify his own product so as not to be mistaken for that of petitioner.¹¹ This obligation respondent fully discharges. His bottles are much smaller than petitioner's, there is a marked difference in the shape and appearance of the bottles, the bottle crowns are not the same color, the labels and markings on the bottles are different in color, shape and appearance and the color and flavor of the beverages are different. Respondent's business name and address "The TruGrape Company, Duncan, Oklahoma," plainly appear on each of his bottles (R. 50).

The evidence fails to show any conduct on the part of respondent tending to pass or "palm" off his product as that of petitioner. It also fails to show any conduct, acts or practices on the part of respondent, his agents, servants, and employees employed for the purpose of pirating the trade or business of petitioner (Finds. of Fact XVIII, R. 17). The evidence also "completely fails to meet the test that the ordinary prospective purchaser exercising due care under the circumstances would be misled." (164 Fed. [2d] 874, 877).

In the *NuEnamel* case (305 U. S. 315) the Supreme Court had under consideration the mark "NuEnamel"

¹⁰ "A name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot be appropriated as a trade-mark and the exclusive use of it afforded legal protection. The use of a similar name by another to truthfully describe his own product does not constitute a legal or moral wrong, even if its effect be to cause the public to mistake the origin or ownership of the product." *Warner & Co. v. Lilly & Co.*, 265 U. S. 526, 528; see also *Standard Paint Company v. Trinidad Asphalt Co.*, 220 U. S. 446, 453; *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S. 118, 140.

¹¹ *Kellogg v. National Biscuit Company*, 305 U. S. 111, 119.

which the defendant in that case admitted in its answer had acquired a secondary meaning. The Court at pages 335 and 336 in speaking of the effect of such a mark said:

"Here we have a secondary meaning to the descriptive term, 'NuEnamel'. This establishes, entirely apart from any trade-mark act, the common law right of the NuEnamel Corporation to be free from the competitive use of these words as a trade-mark or trade name. * * * this right of freedom does not confer a monopoly on the use of the words. It is a mere protection against their unfair use as a trade-mark or trade name by a competitor seeking to palm off his products as those of the original user of the trade name. This right to protection from such use belongs to the user of a mark which has acquired a secondary meaning."

The mark involved in the instant case is merely descriptive of the product. It is not a valid trade-mark under the trade-mark act and has not acquired a secondary meaning and hence it is not entitled to the protection accorded the term "NuEnamel" in the *NuEnamel* case. The decision of the Circuit Court follows the decisions of the Supreme Court in *Standard Paint Company v. Trinidad Asphalt Mfg. Co.*, 220 U. S. 446; *Warner & Co. v. Lilly & Co.*, 265 U. S. 526; *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S. 118, and *Kellogg v. National Biscuit Co.*, 305 U. S. 111, and conflicts in no respect with the decision in the *NuEnamel* case.

N. K. Fairbank Co. v. Luckel, King & Cake Soap Co., 102 Fed. 327, was a suit to restrain infringement of a trade-mark. *Fuller v. Huff et al.*, 104 Fed. 141, was a suit for un-

fair competition, the mark involved had acquired a secondary meaning. The rules applied in these cases are the rules applicable to cases involving a valid trade-mark or a mark which has acquired a secondary meaning, they are not applicable to the mark in the instant case which is not a valid trade-mark and has not acquired a secondary meaning. The decision of the Circuit Court of Appeals in no way conflicts with these decisions.

CONCLUSION

It is respectfully submitted that this case is not a proper one for review by *certiorari* in this Court, and that the petition for a writ of *certiorari* should be denied.

F. M. DUDLEY,
Counsel for Respondent.

Of Counsel:

RICHARDSON, SHARTEL, COCHRAN & PRUET,
1133 First National Building,
Oklahoma City, Oklahoma.

March, 1948.